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Responding to Conran's challenge
Photo: Developments in store

Chain Store Age

GENERAL MERCHANDISE TRENDS SEPTEMBER 1986

RETAILERS PICK THEIR TOP RESOURCES

Size alone is no guarantee a vendor will be tops. An exclusive CSA retail survey reveals the best resource partners, and why. **p. 15**

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TWO DOLLARS PER ISSUE

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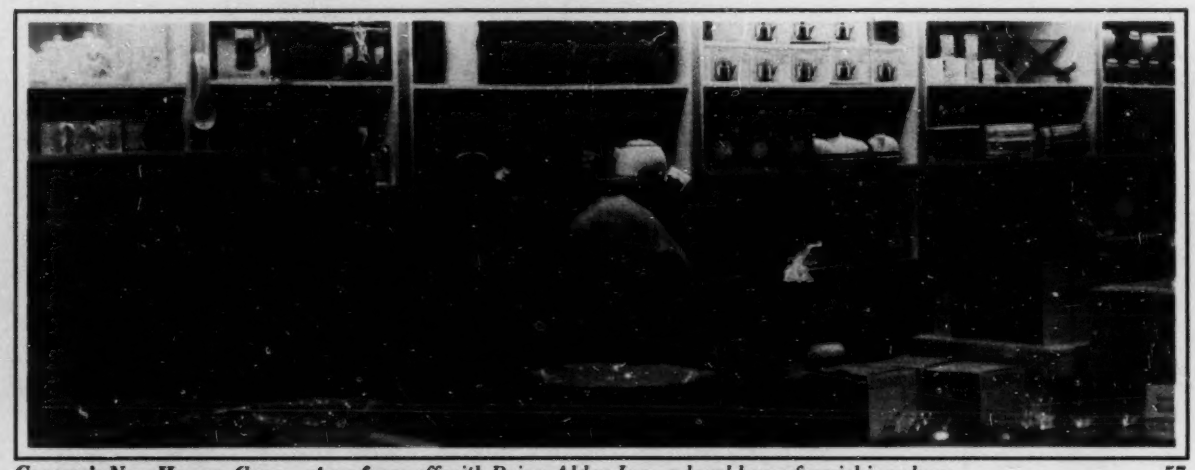

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RETAILERS EVALUATE THEIR TOP RESOURCES

The vendor-retailer partnership goes beyond sales. Buyers picked top resources for 40 categories based on six criteria, including profit margins, turns and on-time delivery.

That Kodak thoroughly dominates the disc camera market will come as no surprise to anyone in the photo business.

But the fact that consumer electronics buyers consider two domestic television brands, RCA and Zenith, their top performers might startle a few people familiar with the many aggressive foreign entries in that category.

Coleco's extraordinary success with Cabbage Patch Kids has understandably made it one of the most recognized resources for dolls. But the fact that few buyers consider Coleco the industry's best doll company will surprise only those who do not remember the way retailers grumbled when they could not get enough Kids to satisfy their customers.

Milton Bradley's reputation as a top resource for board games has been solidified over the years by the consistency of products like Monopoly. But how many people who remember the country in the grip of a trivia craze would expect that in a survey not one buyer would choose Selchow and Righter, distributor of Trivial Pursuit, as his most profitable board game resource?

These are just some of the findings of the first annual *Chain Store Age*/ Leo J. Shapiro & Associates Top Resources Study. Like many studies, this one tends to confirm impressions about some issues and offer surprising insights into others.

The *CSA* study attempted to measure the way buyers rate brands in 40 product categories. The study surveyed discount and department store buyers and merchandise managers in seven areas—consumer electronics, housewares, home textiles, stationery, sporting goods, photo/camera and toys. Thirty retailers per product responded.

Buyers were first asked to name all resources that come to mind when a particular product is mentioned, and then were asked to select their best performing product in each of six characteristics—good retail profit margins, co-op advertising, turnover rate, on-time delivery, consumer ad support, and inventory sell-through. Responses were tabulated to determine the best overall performer.

Among other things, the study points out that in certain highly promoted, "hot" categories, the biggest names often cannot be counted on to be a help to the bottom line. In blank videocassette tapes, for instance, few of the most frequently mentioned brands were selected by buyers as top profit producers.

The survey also revealed that buyers do not always know as much as they should, and do not always do their homework. About one in four photo buyers named Kodak as a resource for 35mm SLR cameras, even though Kodak has not produced an SLR in years.

For vendors with limited distribution, the study is heartening. It showed that if a vendor does a good enough job in the segment of the market it has identified, it can make more of an impression than some much bigger, more broadly distributed companies.

For instance, Emerson, which distributes its consumer electronics products almost exclusively on the mass market, was mentioned by just 16% of buyers as a resource that comes to mind for televisions. But enough of those buyers went on to vote for Emerson as their best resource to

Ten dominant top resources

Product/resource	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
Disc camera/Kodak	82.4%	96.9%	67.9%	100.0%	78.6%	86.2%	93.1%	70.4%
Vacuums/Hoover	74.3	87.0	72.2	76.5	78.9	61.1	77.8	78.9
Tennis racquets/Wilson	62.7	79.2	60.0	60.0	61.9	70.0	61.9	61.9
Irons/Black & Decker/G.E.	61.6	102.9[1]	36.5	68.0	68.7	64.5	66.7	54.8
Action figures/Hasbro	58.3	73.3	60.0	50.0	67.9	50.0	61.5	58.6
Board games/Milton Bradley	57.6	84.8	60.0	66.7	50.0	63.0	60.0	48.4
Drapery Hardware/Kirsch	57.4	68.2	57.9	58.3	52.6	61.1	64.7	52.6
Tennis balls/Wilson	56.3	73.5	56.0	54.2	54.8	58.1	62.5	56.3
Towels/Cannon	53.1	70.3	47.2	51.9	57.1	53.1	55.2	54.3
Electronic typewriters/Brother	51.7	82.4	56.3	50.0	53.3	53.3	42.9	53.3

[1]Totals more than 100% because some buyers voted for both G.E. and Black & Decker
Source: *Chain Store Age*/Leo J. Shapiro & Associates

give the brand a third place finish in televisions.

Cuisinart met with the same kind of success among department store buyers. About one-third of them voted the company their top food processor brand, enough to give Cuisinart a third place finish in the category even though it does not widely distribute to discounters.

Black & Decker/G.E. irons earned 1.02.9% of brand mentions.

Still, despite the success of some of these more focused brands, the study showed that the most popular resources are those with crossover appeal—those that can walk a fine enough line to be successful in both discount and department stores. Sunbeam's food processors, D. P.'s exercise equipment, Hasbro's action figures are a few brands that appeal to both discount and department store merchants.

The very idea that resources can be judged and ordered is not, of course, new. Retailers have always done it in one fashion or another to decide which products go, which stay, which get more promotional emphasis, which get less space.

Lately, however, retailers have become a bit more public about this process. More and more have begun awards programs designed to recognize their best vendors. Typically orchestrated under titles like "Vendor of the Year" or "Partners in Progress," these programs are designed to emphasize the positive side of what is often a tumultuous world of vendor-retailer relations.

"We realize that in order to be successful we have to depend on a lot of people, including our suppliers," says a spokesman for Hills, the discount store chain that began handing out vendor awards this year.

Hills began its selection process in December when buyers and merchandise managers submitted nominations to their respective vice presidents, who then whittled down the list and presented a group of finalists for judging to the senior vice president and general merchandise manager.

Among the criteria Hills used to judge vendors are a number included in the *CSA* study—gross profit performance, timely shipping and co-op ad monies. Other factors considered by Hills: personal involvement of top level supplier officers, innovative product offerings and commitment to Hills' new stores.

While these kinds of vendor award programs are admirable, they are also, by their nature, somewhat skewed. Any given chain can only carry so many brands, which limits the number of vendors that can be considered in a category. And, realistically, the amount of shelf space and promotional support a brand gets can have as much to do with the way the local rep and retail buyer get along as anything else.

CSA's survey, while recognizing the value of such programs, aspires to more objectivity and more comprehensiveness. By interviewing dozens of buyers in each category and breaking down their responses into specific measures, *CSA* hoped to illustrate not only who the top resources are, but why they are considered so good. Why do some vendors succeed and other do not?

Consider the case of Sony televisions. Why did not such a high profile company score better than RCA and Zenith? According to the study, the issue is profitability. Not one buyer chose Sony as his most profitable television resource.

How have buyers reacted to the proliferation of licensed goods in plush toys? Not too well, judging from the *CSA* study. Two of the top resources are department store lines that have stuck largely with generic plush. Not surprisingly, these resources, Gund and Russ Berrie, scored extremely well on profitability.

The study yields much more. Which brands get the most out of their limited distribution? Which have the best cross-over appeal? Which have the best record for on-time delivery? Which get high marks for their support programs?

The following article details the findings. □

Special report written by Steve Malanga, Contributing Editor

TV buyers choose Made in U.S.A.

In the most visible of consumer electronics categories, televisions, buyers voted RCA and Zenith best.

Perhaps the consumer electronics buyers surveyed by *Chain Store Age* for its top resource study were in a patriotic mood because of the 100th anniversary of the Statue of Liberty. Or maybe it was just a case that some Japanese vendors have finally gone too far in their almost singleminded quest for marketshare even at the expense of profitability.

Televisions: Whatever the reason, buyers participating in the *CSA* study chose two American brands as their top resources in that most visible of consumer electronics categories, televisions. RCA and Zenith powered to first and second place in overall performance on the strength of strong showings in several categories, including gross profit margins and turnover rate.

What was surprising about the study was how low Sony, perhaps the most-watched company in the television business, scored overall. Despite being mentioned by nearly one-third of all buyers as a brand that comes to mind in the television category, Sony came in with just a 4.3% score as tops in overall performance. What particularly hurt the brand was its poor profit performance. Not one buyer cited Sony televisions as tops in gross profit margins.

Another surprise was how well Emerson, never a prestige name in the business, scored. Despite receiving mentions from just 16.1% of buyers as a brand that comes to mind when thinking of televisions, Emerson got the nod in overall performance for a 12.9% score. That means that four of every five buyers who mentioned Emerson at all later went on to vote for the brand as their best performer. Not surprisingly, all of Emerson's support came from discount store buyers.

The survey showed that, at least as far as buyers were concerned, the much heralded South Korean invasion had not gained too much of a foothold, at least in televisions. Goldstar did manage mentions from 22.6% of buyers, but only 8% ranked it their top performer. No other South Korean brand showed up in the study. Still, Goldstar did rank as the No. 2 discount resource behind Emerson and ahead of G.E.

Video tape: Sony did manage better performances in two tape categories studied by *CSA:* audio and video. In both cases Sony's total top-of-mind awareness proved extremely high, and the manufacturer earned good marks for co-op ads and on-time delivery. But the company only ranked fourth on profit margins in the video tape category. Maxell, the overall leader by a fraction over Sony, outperformed Sony in profit margin.

An indication of how diffuse the video tape business is can be seen from the fact that retailers identified 25 numbers of brands, 15 of which received enough mentions for separate listings in the research. Moreover, the "other" category earned top marks for all six rating criteria.

The audio tape market, older and hence more settled, proved an entirely different situation. Five vendors divided up all but 22% of the votes. Close behind the three market leaders were Memorex, voted best overall by 16.1% of buyers, and Scotch, which captured 13.0% of votes as overall best performer. Memorex scored particularly well on turnover rate and consumer ad support, while Scotch did best on consumer ad support and on-time delivery.

In evaluating audio tapes, department store buyers proved most partial to Maxell, giving it almost twice as many mentions as discount buyers did. TDK, on the other hand, earned No. 1 in the category because of support from discount buyers, who voted for it about twice as much as every brand except Sony.

In boom boxes, the one other audio category studied by *CSA*, rankings seemed partially contingent on a resource's ability to cross trade class lines. Sharp, No. 3 finisher in total performance, scored equally well with department store and discount store buyers, perhaps in part because of the crossover appeal of its colored boom boxes. That kind of appeal was probably one reason why Sharp was among the highest-rated for profit margins.

Sony, the closely watched TV company, *placed third in overall performance.*

Limited distribution hurt Fisher's overall rankings, which is why the brand does not fall among the top three. But seen just in the light of its department store distribution, Fisher actually scored quite well. Nearly 20% of department store buyers voted Fisher their top performer, second only to Panasonic's 22% among this trade class.

G.E. proved tops in the category because of the way it dominated the discount arena, getting nearly 29%

of discount buyers to rate it top overall performer. That was almost double the discount market share of second place Panasonic.

In boom boxes, as in so many other consumer electronics categories, gross profit performance proved problematic. The top performers overall scored lower on gross profit performance than they did on just about every other measure. Secondary brands, generally not promoted as heavily, proved stronger in gross profit margins, on the whole, than in categories like co-op advertising, turnover rate, and sell-through. Perhaps most enlightening was the fact that the "other" grouping scored twice as high in gross profits as it did in overall performance.

Boom boxes proved another difficult category for Sony. Once again the vendor's share of mind was high; nearly 39% of buyers mentioned the brand. But only 10% rated it tops overall. Only one in three buyers who mentioned the brand went on to rate it his best performer.

Electronic typewriters: Brother powered to an impressive win in what proved the most one-sided of consumer electronics categories, electronic typewriters.

***Scoring well with** dept. and discount store buyers, AT&T/Bell was No. 1.*

Behind Brother's performance—more than half of all buyers chose it their best brand—was a strong showing with both discount and department store buyers. Nearly 44% of department store buyers selected it their top brand, giving Brother a 10% margin over Smith-Corona in department stores. More than 60% of discount buyers chose it their best brand, almost twice as many as chose the No. 2 brand in discount stores, Royal.

Telephones: Sell-through, not profitability, proved to be AT&T's soft spot in the telephone category, although not enough to keep the brand from capturing first place.

Scoring well with both department store and discount store buyers, AT&T/Bell was the clear winner on profit margins, consumer and co-op ads. But turnover rate and sell-through both proved problematic, as G.E. scored higher in sell-through and tied AT&T/Bell in turnover.

Both AT&T/Bell and G.E. phones were favored slightly more by department store buyers, while discount buyers gave 18.4% of their votes to ITT. That strong showing among discounters, in fact, was solely responsible for ITT's third-place finish over G.T.E. and Panasonic, which had twice as much support among department stores as they did with discount store buyers.

Panasonic, finishing fourth, garnered top votes from 11.2% of buyers, while 7.5% voted for G.T.E. Panasonic was hurt in the profit margin category, getting a first

Sony lags for televisions, but earns good marks for magnetic products

Brand	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
VCR tape								
1. Maxell	20.1%	51.6%	19.2%	20.0%	17.9%	25.0%	21.4%	17.2%
2. Sony	19.5	41.9	11.5	30.0	17.9	25.0	14.3	20.7
3. TDK	13.2	35.5	15.4	15.0	14.3	14.3	10.7	10.3
Audio tape								
1. TDK	27.3	56.0	20.7	22.7	27.6	25.9	34.6	32.1
2. Maxell	26.7	50.0	24.1	22.7	27.6	33.3	26.9	25.0
3. Sony	19.9	26.7	20.7	22.7	17.2	25.9	19.2	14.3
Telephones								
1. AT&T/Bell	31.7	58.6	35.7	37.5	21.4	29.6	44.4	22.2
2. G.E.	23.0	37.9	25.0	20.8	21.4	22.2	22.2	25.9
3. ITT	11.8	27.6	10.7	12.5	14.3	11.1	[illegible]	14.8
Telephone answering devices								
1. Panasonic	25.4	45.8	17.4	28.6	26.1	22.7	31.8	26.1
2. AT&T/Bell	17.9	20.8	17.4	19.0	13.0	22.7	18.2	17.4
3. Phone-Mate	14.9	29.2	17.4	14.3	13.0	13.6	13.6	17.4
Electronic typewriters								
1. Brother	51.7	82.4	56.3	50.0	53.3	53.3	42.9	53.2
2. Smith-Corona	24.1	35.3	25.0	16.7	26.7	13.3	35.7	26.7
3. Royal	20.7	47.1	12.5	41.7	13.3	26.7	14.3	20.0
Televisions								
1. RCA	17.8	38.1	11.1	8.7	20.7	17.2	25.0	22.2
2. Zenith	14.7	32.3	7.4	17.4	17.2	13.8	14.3	18.5
3. Emerson	12.9	16.1	11.1	4.3	17.2	17.2	7.1	18.5
Boom boxes								
1. G.E.	19.4	41.9	10.0	22.2	22.6	23.3	19.4	19.4
2. Panasonic	18.9	54.8	10.0	25.9	16.1	16.7	29.6	16.1
3. Sharp	12.2	25.8	13.3	11.1	12.9	10.0	12.9	12.9

Source: *Chain Store Age*/Leo J. Shapiro & Associates

place nod from just 7.5% of buyers, but the brand scored well, with a 14.3% rating, on turnover.

G.T.E., by contrast, scored below 5% on both co-op advertising and turnover rate, but garnered 11.1% of votes for on-time delivery.

Cobra, Conair and Webcor all scored below 5% on total performance. Cobra actually did quite well in top-of-mind awareness, garnering responses from nearly 28% of those mentioned. But only 3.7% of buyers went on to choose it as their best performer. That means only one in eight buyers who mentioned the brand later chose it as tops in the category.

TADs: Panasonic showed why it is the market share leader in telephone answering devices. Among retailers it rated tops in all criteria, though it did share leadership rankings with AT&T/Bell for on-time delivery, and with AT&T/Bell and Phone-Mate for good retail profit margins. □

Is it Black & Decker or G. E.?

The synergy of these two names helped Black & Decker dominate small electric housewares.

Several years after Black & Decker's purchase of General Electric's small appliances business, buyers still seem a bit confused by the merger.

For one thing, there is still no consensus among buyers what to call the resource, with some buyers sticking to the G.E. name while others already refer to products by the Black & Decker label. And some buyers seem confused enough by the whole thing that in the *Chain Store Age* Top Resources Study they apparently voted for both G.E. and Black & Decker in some product categories.

When asked which resources they thought of when it came to irons, a total of 102.9% of buyers mentioned either G.E. or Black & Decker, and more than half of them went on to vote for one of the two brands as their top performer.

The G.E. name remains most favored. In food processors, the G.E. brand was preferred 25% to 17.9%, while in irons G.E. won out 64.7% to 38.2%. Only in electric coffeemakers did more buyers choose the Black & Decker name, voting for it 33.3% to 27.3% for G.E.

The synergy of those two names helped Black & Decker dominate several housewares categories, notably irons, electric coffeemakers, and hair dryers. In irons the Black & Decker/G.E. combination won about three times as many votes for best overall performance as the nearest competitor. In hair dryers the spread was even greater.

Black & Decker/G.E. consistently did well on support programs, particularly co-op and consumer advertising. On those areas the company regularly scored better than it did in the good profit margins category.

The Black & Decker name generally proved more familiar to discount store buyers, while G.E. tended to split its vote between discounters and department stores. Black & Decker's awareness was obviously so much higher among discounters because the company, through its tool divisions, has operated in discounters for so long. In the electric coffeemaker category, for instance, about 32% of discount buyers named Black & Decker their best resource, while 10.8% of department stores voted it tops.

Microwaves: G.E. retained its microwave oven business, but it could only finish second to Litton which won a solid victory by scoring well on profitability and turnover rate.

The problem both G.E. and Sharp, which finished third, had was that both apparently lost votes to a large group of secondary resources that did particularly well on issues like profitability and co-op ad support. "Other" brands scored a 19.0% rating on profit margins and a 23.8% rating on consumer ad support.

Microwave cookware: What

Revere, Mirro and Ekco edged out Farberware in the metal cookware category.

Black & Decker's small electrics win plaudits from buyers

Brand	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
Microwave ovens								
1. Litton	26.4%	46.4%	28.6%	31.6%	33.3%	18.2%	23.8%	23.8%
2. G.E.	16.9	39.3	14.3	15.8	19.1	13.6	18.1	14.3
3. Sharp	12.8	35.7	9.5	10.5	19.0	13.6	9.5	14.3
Microwave cookware								
1. Rubbermaid	26.3	38.9	17.6	26.7	23.5	32.3	30.3	28.1
2. Corning Ware	23.2	47.2	20.6	23.3	20.6	22.6	30.3	21.9
3. Anchor Hocking	20.6	44.4	29.6	6.7	26.5	29.0	12.1	28.1
Metal cookware								
1. Revere	28.4	38.9	17.1	33.3	34.3	25.8	34.4	26.5
2. Mirro	16.5	33.3	20.0	14.8	14.3	22.6	12.5	14.7
3. Ekco	13.9	22.2	14.3	14.8	11.4	12.9	15.6	14.7
Cutlery								
1. Chicago Cutlery	38.9	54.9	23.3	44.4	30.0	46.7	53.6	36.7
2. Ekco	10.9	9.7	10.0	11.1	10.0	10.0	10.7	13.3
3. Oneida	6.9	9.7	6.7	7.4	6.7	6.7	7.1	6.7
Irons								
1. Black & Decker/G.E.	61.7	102.9[1]	36.5	60.0	68.7	64.5	66.7	54.8
2. Sunbeam	21.5	61.8	21.4	24.0	15.6	22.6	23.3	22.6
3. Proctor-Silex	10.7	32.4	14.3	4.0	9.4	19.4	—	16.1
Electric coffeemakers								
1. Black & Decker/G.E.	32.9	60.6	24.1	37.0	26.7	32.1	44.8	33.3
2. Mr. Coffee	27.7	57.6	24.1	18.5	36.7	21.4	34.4	30.0
3. Norelco	33.3	13.8	16.5	16.7	10.7	13.8	16.7	15.0
Glassware								
1. Libbey	34.3	55.3	36.1	34.5	36.1	36.4	27.3	34.3
2. Anchor Hocking	26.7	42.1	22.2	24.1	25.0	27.3	33.3	28.6
3. J. G. Durand	18.3	34.2	25.0	17.2	19.4	18.2	15.2	14.3
Food processors								
1. Sunbeam	33.8	57.1	19.2	28.0	44.0	29.2	47.8	36.0
2. Black & Decker/G.E.	27.7	42.9	30.8	28.0	24.0	33.3	26.1	24.0
3. Cuisinart	18.9	25.0	23.1	20.0	16.0	20.8	17.4	16.0
Hair dryers								
1. Black & Decker/G.E.	46.1	51.1	38.1	42.1	45.5	47.6	57.1	45.5
2. Norelco	19.8	43.5	19.0	26.3	18.2	28.6	9.5	18.2
3. Vidal Sasson	14.3	26.1	19.0	10.5	13.6	9.5	19.0	13.6
Vacuum cleaners								
1. Hoover	74.3	87.8	72.2	76.5	78.9	81.1	77.8	78.9
2. Eureka	22.0	60.9	22.2	23.5	21.1	27.5	22.2	15.8
3. Panasonic	2.8	13.0	5.6	—	—	5.6	—	5.3
Clocks								
1. Westclox	39.3	52.2	33.3	37.5	47.6	35.0	47.4	35.0
2. Spartus	12.8	30.4	14.3	6.3	14.3	20.0	5.3	15.0
3. Sunbeam	8.5	21.7	4.8	6.3	9.5	10.0	10.5	10.0

[1]Totals more than 100% because some buyers mentioned both G.E. and Black & Decker.
Source: *Chain Store Age*/Leo J. Shapiro & Associates

proved most curious about the microwave cookware category was how much Anchor Hocking's rating varied from characteristic to characteristic measured by *CSA*. Anchor Hocking managed a third-place finish in the category despite low marks, relative to its overall performance, on both co-op and consumer ad support. Curiously, that kind of estimation did not carry over to other categories for Anchor Hocking. In glassware, for instance, the resource scored better than any other on consumer ad support.

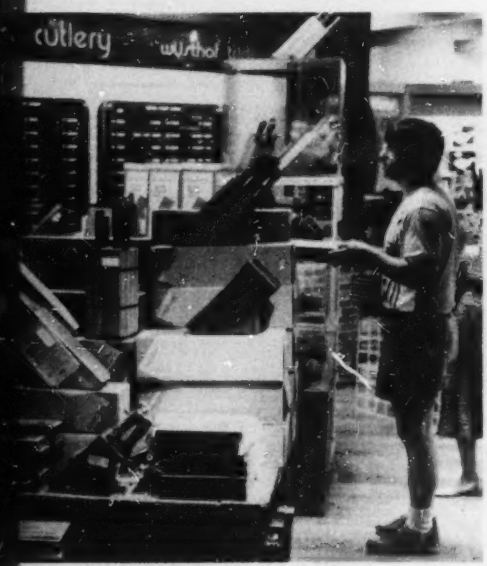
Rubbermaid was the top resource and proved the most "efficient" resource in the microwave cookware category because of the way it was able to convert mentions as a brand into votes for best performer. Five of every seven buyers who listed Rubbermaid as a resource in the category went on to vote it a top performer.

The story in metal cookware seems to be the in-roads made by imported, smaller brands, especially among department store buyers. Those smaller brands, grouped under the "other" designation, captured 26.3% of total votes for best performance and were strongest among department store buyers: 33% of them voted "other" brands tops.

The success of smaller brands as a group in this category was again attributable to low profitability of major resources. The smaller brands scored best on profitability, while first-place finisher Revere achieved its lowest score for profit margins. Mirro rated best for profits among top resources.

Not surprisingly, the smaller brands scored poorest on such characteristics as co-op advertising and consumer ad-support, while these proved among the strongest areas for Revere, Mirro and Ekco.

The cutlery category proved much the same as metal cookware. Chicago Cutlery dominated on the



***Nearly 4 out of every 10 buyers** picked Chicago Cutlery as the No. 1 resource.*

strength of its acceptance in both discount and department stores, but "other" brands carved a niche with discounters. These smaller brands, grouped together, actually received nearly three times as many votes as second-place finisher Ekco, while third-place finisher Oneida had among the lowest scores, 6.9%, of any third-place resource in the study.

Once again the issue was profits. Nearly 37% of buyers chose a smaller brand as their profit margin leader, and together the top three resources could manage fewer than 40% of the votes as gross profits leader.

Discount buyers favored smaller brands, 37.3%, to 20% of department store buyers. One reason for the lower department store score was that many department store buyers favored Chicago Cutlery; it won 54% of their votes. By contrast, no resource of the nine listed by name received 20% of discount store buyer votes. Chicago Cutlery had 18.7% with Ekco and Oneida each garnering 16%.

Food processors: One housewares category where discounters and department store buyers did vote alike was food processors. Sunbeam drove to a victory there on the strength of the crossover appeal of its Oskar. More than 40% of discount buyers and nearly 29% of department store merchants chose Sunbeam as their best resource. No resource scored higher among discounters, and only Cuisinart, with 33% of buyers voting for it, did better with department stores.

Also noteworthy about the food processor business is that the top brands scored so well that smaller brands grouped in the "other" designation did not get a single vote on any of the six characteristics measured by *CSA* despite being mentioned by 18% of buyers as brands that come to mind.

Hair dryers: Black & Decker/G.E.'s success in hair dryers was to a certain extent also the story of Norelco's inability to capitalize on its high recognition. Although 43.5% of buyers mentioned Norelco as a resource that comes to mind, less than half of those buyers made it their top resource. By contrast Black & Decker/G.E. got more than four of every five buyers who mentioned it as a brand that comes to mind to consider it as best performer.

Coffeemakers: The combined Black & Decker/G.E. score took top honors for coffeemakers winning in both department and discount stores. Mr. Coffee and Norelco came in second and third overall. Mr. Coffee was the second best discount store resource, but was tied for fourth with Krups and Braun in department stores. Norelco was second with department stores and third with discounters. Proctor Silex was third with department stores.

Glassware: Libbey copped the best overall rating because of its crossover strength in department and discount stores. It was judged best in five of six areas. Only in consumer ad support did archrival Anchor Hocking beat it.

Vacuums and clocks: The two remaining categories tracked by *CSA*, vacuum cleaners and clocks, proved as different as one could imagine. Vacuum cleaners, was dominated by one brand, Hoover, while in clocks, smaller brands grouped into the "other" classification scored higher than they did in any other category.

Department store buyers were largely responsible for the "other" success in clocks: 54% of department store buyers chose "other" brands, while 28% of discounters did.

Only one brand, Westclox, showed any kind of significant presence in clocks, dividing its votes almost evenly among discount buyers and department store buyers.

Hoover, as expected, dominated the vacuum cleaner business, but Eureka made a credible showing in department stores, capturing 30% of first place votes from those buyers. □

Selling two formats, a winning formula

Having crossover department and discount appeal allows some brands to dominate specific categories.

Some department store brands would not be caught dead in a discount store and would do anything possible to keep themselves out of these outlets. By the same token, many discount store brands simply do not bother trying to distribute to department stores. Both realize that you can send customers some awfully confusing signals if you suddenly wind up on the shelves of very different outlets.

Nevertheless, there are some brands that manage to so dominate a particular category that they have enough crossover appeal to sell well in both discounters and department stores. These brands have discovered how to tell a price story in discount outlets while maintaining the kind of quality image to sell consistently well in department stores.

In the *Chain Store Age* Top Resource Study, 13 companies proved versatile enough to emerge as the top vote getters in their categories among both discount and department store buyers. These resources showed the kind of crossover appeal that made them among the most popular tracked by *CSA*.

Resources that proved best at this kind of dual-layered distribution tend to be innovators, like Kodak, who carve out a market for themselves with a product and then use superior marketing muscle to keep the imitators at bay. Kodak, in fact, had the most balanced appeal of any brand. Its disc camera won best performer votes from 82.3% of

A delicate balance is key to success[1]

Product	Resource	% "best" mentions	% department store buyers	% discount store buyers
Telephones	AT&T/Bell	31.7	37.9	22.2
Electronic typewriters	Brother	51.7	43.2	60.5
Hair dryers	Black & Decker/G.E.	46.1	28.8	55.5
Vacuum cleaners	Hoover	74.3	66.7	83.7
Clocks	Westclox	39.3	39.0	39.7
Exercise equipment	D.P.	42.5	40.4	44.0
Tennis racquets	Wilson	62.7	48.1	75.8
Tennis balls	Wilson	56.3	62.9	51.9
Baseball gloves	Wilson	44.8	55.4	38.3
Drapery hardware	Kirsch	57.4	69.2	46.4
Disc cameras	Kodak	82.4	82.3	82.6
Action figures	Hasbro	58.3	47.7	65.9
Board games	Milton Bradley	57.6	40.5	72.0

[1]Chart lists those brands that scored best among both department store and discount store buyers.
Source: *Chain Store Age*/Leo J. Shapiro & Associates

department store buyers and 82.6% of discount store buyers.

These companies also tend to be quick to capitalize on new trends while holding on to the business they have already carved out. Wilson followed the lead of Prince into the oversized tennis racquet market, and now no other resource has the kind of combined low-end, high-end appeal of Wilson.

In some cases these resources have been the beneficiary of the upscaling trend among discounters and the simultaneous desire on the part of department stores to become more price competitive. Just look at the success that AT&T/Bell has had getting distribution in discount stores even though its advertising message never emphasizes price and in fact tacitly acknowledges that its competition has lower prices on most telephones.

In some cases, these brands tend to be part of a category that is so new, and so hot, that everyone scrambles to get in on the action as quickly as possible. In those cases the question of where a vendor is distributing seems less important to a buyer than the issue of how fast that vendor can get the buyer the right product.

Such might be the case with D.P., which, through its home-gym systems, rode the crest of the exercise equipment craze to achieve solid distribution in both discounters and department stores. A few bells and whistles here and there were all that were needed for D.P. to distinguish its home gym systems from one another, giving department store customers products with enough of a difference to justify the higher prices that department stores generally demand. □

Winners dominate textiles arena

Retailers mentioned many resources but narrowed their top picks to a precious few.

The sheets and pillowcases category turned out to be among the most unusual studied by *Chain Store Age* in the Top Resources poll.

When quizzed about which companies operate in the field, buyers were quick to name resources, listing 14 brands enough times to be considered numerous enough for inclusion in the study. Six companies were mentioned by at least 20% of the buyers and two more by more than 15%.

But what proved most unusual is that when it came time to begin rating these companies in terms of performance, most buyers concentrated their votes among just several top resources. What looked at first like it would be a category where share was extremely diffuse proved one in which buyers knew what they liked.

Cannon was clearly the best performer in the category, capturing best performance in four of six criteria. Cannon also did well in the percentage it received for best performance relative to the number of total mentions it received.

By contrast, many companies had problems converting their mentions from buyers into rankings as best performer. Stevens, which was mentioned by 24% of buyers as a resource that comes to mind, emerged as best performer for just one-fourth of those buyers. Martex, mentioned by 21.1% as a resource that comes to mind, wound up a top performer for just 3.9% of all buyers.

Not surprisingly, Cannon dominated the discount segment, with 41.6% of the vote for best performer. But the segment's second largest block of votes went to resources grouped in the "other" disignation, which received best performer votes from 27% of buyers.

Fieldcrest and Springs attracted the department store vote, 31.0% to 29.3%, while Cannon, with 16.4% of department store votes, proved the only other significant brand.

Towels were quite a different story. Two brands, Cannon and Fieldcrest, each were mentioned by more than half of buyers, and the two pretty much divided up the top votes. Several brands, including St. Mary's and Stevens, had trouble converting their total mentions, 21.6% and 24.3%, respectively, into votes for best performer.

Towels was a category where "other" again made its presence felt, but only on the discount side of the business. Although the study listed 11 brands by name as top resources, brands grouped in the "other" designation still got 27% of first place votes. Only Cannon, with a healthy 41.6% of discount buyers voting for it, got more votes from this trade class.

By contrast fewer than 1% of department store buyers voted for small brands as their best resource. Most of the support by department store merchants was concentrated on Fieldcrest, with 31% of the vote, Springs, 29.3%, and Cannon, 16.4%.

Electric blankets: The story of Northern/Sunbeam and Fieldcrest's one-two finish in electric blankets again reflected a case of each brand dominating one trade class. Northern/Sunbeam got 64%

of discounters to name it top performer, while Fieldcrest was voted tops by 60% of department store buyers.

Mini-blinds was one of only two categories in the entire *CSA* study in which smaller brands grouped in the "other" designation actually scored higher than every major brand. Nearly 35% of votes for best performer went to "other" brands, that is, brands besides the six mentioned most often by buyers.

In three characteristics, profit margins, turnover rate and sell-through, "other" brands actually got twice the number of votes as the best performing named resource.

Among the top resources, Levolor won because of its strength with department store buyers, garnering 30.5% of their votes for top performer. Graber proved strongest among discounters, getting 32.1% of their first place votes. No brand demonstrated any significant crossover appeal.

The drapery hardware business was another thing, entirely. Kirsch dominated the category, getting more than half of votes for best performer. With 68.2% of total mentions as a resource, it was clearly a dominant player. "Other," so much of a factor in mini-blinds, was insignificant in this category, getting only 5.6% of votes for best performer.

The kind of success Kirsch exhibited can only be gained by strong crossover appeal. Kirsch had nearly 70% of department store buyers naming it best resource, while 46.4% of discounters called it tops. No other resource got more than 12% of mentions from department store buyers or more than 18% from discounters.

Kirsch's ability to garner more than 50% of buyers' votes in each of six characteristics measured was unusual in the *CSA* study. While the company had its lowest scores on turnover rate and sell-through, on both characteristics Kirsch got more than three times as many votes as the nearest competitor. □

Fieldcrest Cannon most "mega" of the megamills, Kirsch hangs up drapery hardware

Brand	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
Sheets/Pillowcases								
1. Cannon	27.3%	44.7%	27.8%	24.0%	29.7%	30.6%	21.2%	28.9%
2. Fieldcrest	20.0	39.5	16.7	28.0	18.9	19.4	24.2	15.8
3. Springs/Springmaid	16.6	42.1	13.9	12.0	18.9	13.9	15.2	23.7
Electric blankets								
1. Sunbeam/Northern	43.8	69.3	35.7	53.4	46.7	40.7	42.1	37.4
2. Fieldcrest	35.9	48.3	39.3	38.1	32.1	33.3	34.8	38.5
3. St. Mary's	11.1	13.8	14.3	4.8	10.7	14.8	8.7	11.5
Towels								
1. Cannon	53.1	70.3	47.2	51.9	57.1	53.1	55.2	54.3
2. Fieldcrest	30.9	56.8	33.3	29.6	28.6	31.3	31.0	31.4
3. St. Mary's	7.2	21.6	11.1	3.7	8.6	9.4	3.4	5.7
Mini-blinds								
1. Levolor	21.8	41.2	20.0	21.4	20.0	21.4	26.6	20.0
2. Kenney	14.9	11.8	20.0	14.3	13.3	14.3	14.3	13.3
3. Newell	13.8	11.8	13.3	14.3	13.3	14.3	14.3	13.3
Kirsch	13.8	23.5	13.3	14.3	13.3	21.4	7.1	13.3
Drapery hardware								
1. Kirsch	57.4	68.2	57.9	56.3	52.6	61.1	64.7	52.6
2. Newell	14.8	18.2	15.8	12.5	15.8	16.7	11.8	15.8
3. Graber	12.0	18.2	15.8	12.5	10.5	5.6	11.8	15.8

Source: *Chain Store Age*/Leo J. Shapiro & Associates

Turning awareness into performance

Some resources serve specific markets, yet manage to make the most of their limited distribution systems.

Chain Store Age recognizes that the Top Resource Study might have favored certain companies and put others at a disadvantage. By relying on the total number of votes resources received, the study gave a slight advantage to companies that distribute nationally and sell their products through both department stores and discount outlets.

For that reason *CSA* developed an efficiency index. Put quite simply, the index divides the rating a resource received in the overall performance category by the rating it received in the total mentions column. The efficiency index shows just how many buyers who thought of a particular product when asked about a category later went on to vote for that brand.

Consider, for instance, the case of Shaeffer Eaton date books. As an upscale line, the Shaeffer product received support from nearly 40% of department store buyers participating in the study. But few discounters carry the brand, so it had little chance to score points with those buyers.

Yet Shaeffer manages to make the most out of the distribution it has. Although only about 29% of all buyers said the brand came to mind when they thought of date books, nearly every buyer who did mention it later went on to vote for the brand.

Because of that performance Shaeffer's date books received a high efficiency rating—94%. Sixteen out of 635 products mentioned

even scored more then 100%. That occurred in cases where buyers didn't first think of a particular brand when asked what brands came to mind. But as the researchers asked progressively more specific questions about the category, some buyers obviously began to remember how well certain brands did and began voting for them more often. Vivitar was an example, mentioned by 8.7% as a source of 35mm SLR's, but rated best overall by 9.0%. Its efficiency index was 103%.

Indeed, Vivitar achieved what only one other resource was able to do—a double placement among the top 20 resources in efficiency rating. Its 35mm autofocus camera commanded even more respect from buyers than its 35mm SLR line.

Mead Products earned the other double citation, winning it for date books and desk accessories.

It is also interesting to note that nearly half of the top 20 efficiency index listings came from just four product categories. 35mm autofocus cameras led the field with three—Olympus, Vivitar and Pentax.

Kenney and Newell represented mini-blinds suppliers; Mead and Shaeffer date books; while Ekco joined Washington Forge as efficient cutlery resources. □

Efficiency rating: making the most out of your distribution

Resource	Product category	Rating
1. Wilson	Exercise equipment	138%
2. Kenney	Mini-blinds	126
3. Mead G.E.	Date books Clocks	120 116
5. Newell	Mini-blinds	117
6. Olympus Vivitar	35mm autofocus camera 35mm autofocus camera	113 113
8. Ekco	Cutlery	112
9. GTE Mead	Telephone answering device Desk accessories	108 108
11. Washington Forge Polaroid	Cutlery VCR tape	106 106
13. Paulmax Ambassador	Binoculars Partyware	104 104
15. Vivitar	35mm SLR camera	103
16. Toshiba	Microwave oven	101
17. Scotch	Audio tape	98
18. Panasonic	Electronic typewriters	97
19. Shaeffer Eaton	Date books	95
20. Pentax	35mm autofocus camera	94

Source: *Chain Store Age/Leo J. Shapiro & Associates*

Toy buyers value consistency

Mattel proved its staying power, placing consistently within the top three, in 4 out of 5 categories.

In the increasingly ephemeral business of toys, buyers have obviously come to value a little bit of consistency. That explains why they voted so convincingly for vendors like Mattel and Milton Bradley in categories where these resources have managed to succeed with enduring properties.

Nearly 58% of buyers selected Milton Bradley as their top resource in board games, while 42.3% chose Mattel as their best doll resource.

Board games: Milton Bradley has had many entries in the board game business, including its share of here-today, gone-tomorrow licensed board games. But what game can boast the 50-year popularity of Monopoly, still banned in the Soviet Union, after all this time? What is perhaps most telling about how buyers are feeling about the toy business these days is the strong rating Milton Bradley got in the good profit margins category.

By contrast, Selchow & Righter, which a few years ago had the most popular board game, Trivial Pursuit, did not receive any votes from buyers on good profit margins. In fact, although Selchow & Righter was mentioned by 24.2% of buyers as a resource that comes to mind, just 1.2% voted the company their best toy resource. That made Selchow & Righter third in top of mind awareness but last in total performance.

Parker Brothers, the No. 2 finisher in the board game category, had nearly as many total mentions as Milton Bradley but fewer votes as "best performer." Part of the rea-

Barbie, in its second generation of children, surely helped Mattel's win.

son was that, whereas profit margins proved one of Milton Bradley's strongest categories, Parker Brothers earned its lowest score in the good profit margins category.

What propelled Milton Bradley to its board game victory was the support of discount store buyers. More than 70% chose Milton Bradley their best resource. Parker Brothers, by contrast, split its vote between department store and discount store buyers. But even in the department store category Milton Bradley maintained a slight lead over Parker Brothers.

support came from department store buyers. Nearly 32% of them chose it as their top resource. What they obviously like about this line of nontelevision toys is the profitability. Madame Alexander scored higher than any other resource except Mattel on profit margins.

Plush Toys is another category feeling the pinch of declining profit margins as it turns toward licensed merchandise. Not surprisingly, the highest rated resources were those which specialize in generic plush. They displayed strength in the voting as profit margin producers.

tops in profitability, but No. 3 on the list was Animal Fair, which finished sixth overall in the voting for best resource. Mattel, tied for third overall, finished ninth in the voting for best profit margin producer, while both Kenner and Hasbro received no first place votes in the profit margin category.

Many of the licensed plush resources received their best ratings for their marketing support. Mattel and Coleco, for instance, finished second in consumer ad support, while Mattel led the way in co-op advertising. But the department store

Hasbro, Milton Bradley, Mattel runaway winners in four of five categories

Brand	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
Action figures								
1. Hasbro	58.3%	73.3%	60.0%	58.6%	67.9%	58.8%	61.5%	58.6%
2. Mattel	37.8	63.3	24.0	45.5	28.6	57.7	46.2	27.6
3. LJN	12.8	26.7	20.0	13.6	7.1	15.4	7.7	13.8
Board games								
1. Milton Bradley	57.6	84.8	66.0	66.7	5.0	63.0	60.0	48.4
2. Parker Bros.	31.4	75.8	23.3	29.2	33.3	29.6	36.7	35.5
3. Pressman	9.9	12.1	10.0	4.2	10.0	10.5	3.3	12.9
Dolls								
1. Mattel	42.3	53.1	30.0	50.0	45.2	42.9	46.7	40.0
2. Coleco	17.1	59.4	13.3	15.4	16.1	21.4	20.0	16.7
3. Madame Alexander	13.1	18.8	16.7	3.8	16.1	10.7	13.3	16.7
Plush toys								
1. Gund	17.8	29.6	23.1	10.5	15.4	20.0	16.4	17.8
2. Russ Berrie	16.4	29.6	23.1	10.5	15.4	20.0	12.5	15.4
3. Applause	11.0	25.9	7.7	15.8	15.4	4.0	8.3	15.4
Mattel	11.0	22.2	3.8	21.1	7.7	12.0	16.7	7.7
Licensed figures								
1. Hasbro	51.2	69.7	45.0	56.6	47.8	55.6	56.5	47.8
2. Mattel	29.3	60.9	25.0	38.9	34.8	25.0	39.4	26.1
3. LJN	9.4	21.7	15.0	—	13.0	5.0	8.7	13.0

Source: *Chain Store Age*/Leo J. Shapiro & Associates

Dolls: Barbie, now being enjoyed by its second generation of children, was undoubtedly one important reason why Mattel was a clear choice in the doll category, outdistancing second-place finisher Coleco by well over a two-to-one margin.

That Coleco was a distant second in a category in which it had the hottest property just two years ago is testament to just how unpredictable the toy business has become. While 60% of buyers, no doubt mindful of Cabbage Patch, mentioned Coleco as a resource in dolls, less than one-in-three of those buyers went on to vote Coleco as top resource.

Some buyers still say there is room for well-made unlicensed dolls. Madame Alexander, with a third place finish, 13% proved their point. All of Madame Alexander's

Supported predominantly by department store buyers, Gund and Russ Berrie easily outdistanced the likes of Mattel, with its Popples plush, and Hasbro, makers of Wuzzles plush figures. Gund was voted best overall by 36.8% of department store buyers; Russ Berrie got the top nod from 23.5% of department store buyers and 10.3% of discounters.

Other big vote getters among department store buyers were Dakin and Applause. By contrast, Mattel, Hasbro, Kenner and Coleco received no votes for best top performer from department store buyers. But Mattel was tops with discounters, garnering 20.5% of their votes as top resource. Coleco was second among discounters with 19.2% of votes.

Gund and Russ Berrie proved

resources, Gund and Russ Berrie, easily outdistanced the field for on-time delivery.

Licensed figures: Outside the arena of plush, Hasbro actually made one of the most impressive showings in the toy category with its 51.2% score as best overall performer on licensed figures. Despite the proliferation of licenses in the last few years, the licensed figures category did not appear nearly as scattered as many other product areas tracked in the study. Buyers are clearly focusing their efforts on the biggest companies, those that can deliver the kind of marketing support necessary to make any kind of a splash with a character.

In all, only seven licensed figures resources were named with any degree of significance, and the "other" category, so strong in 14 of the prod-

uct areas tracked by *Chain Store Age*, accounted for just 8.7% of first place mentions for best overall performance.

While Mattel and Hasbro, the two top licensed figure resources, scored with both department and discount store buyers, they did so in a contrasting manner. Hasbro was tops among discounters, getting almost 68% of their votes as top performer, while Mattel was tops with department store buyers, getting more than 40% of their votes. Hasbro showed the best crossover performance, also getting mentioned by 38% of department store buyers as a top resource.

If there was a dark-horse in the category it was certainly LJN, which finished third, no doubt in great part because of the success of its wrestling figurines in the past few years.

In action figures, Hasbro's score, a 58.3% rating as best overall, proved the biggest victory in the toy products studied by *CSA*. Here, too, in a category which is almost entirely licensed, the tendency of buyers to consolidate over the last several years was evident. Only five resources received any mention at all in the category of profit margins. Hasbro powered to a victory there with 60% of buyers choosing it for good profit margins. That was nearly three times the No. 2 finisher, Mattel.

Both Hasbro and Mattel proved extremely strong among department store and discount store buyers, which was the main reason they were able to outdistance the rest of the field. By contrast, Coleco only got half as many votes from department store buyers as it did from discounters. Kenner, while getting 11% of discounters to chose it as top resource, managed just 1.5% mentions from department stores.

Hasbro's rating of 58.3% as top resource was particularly notable because the brand was not the most frequently mentioned when buyers were asked to name a brand that comes to mind first. Mattel, with 83.3% total mentions, led in that category but had difficulty converting many of those mentions into votes for best performer. Coleco and Kenner had the same problem. Although both were mentioned by more than one-fourth of buyers as an action figure resource. They each managed just 7.1% scores as best overall performer. □

Minolta Maxxum-izes success

In the 35mm SLR category, Maxxum decisively won for profit margins, turnover rate and sell-through.

***Canon and Minolta tied for first** in overall performance in 35mm SLRs.*

What can a little bit of innovation do for a brand? Just ask Minolta.

Relegated to runner up status in 35mm cameras, over the past several years, Minolta has found new life since the introduction of its line of autofocusing Maxxum cameras. In the *Chain Store Age* study, the success of the Maxxum was undoubtedly responsible for Minolta's first-place tie with Canon as top 35mm SLR resource.

The importance of the Maxxum line was obvious from the way Minolta scored on profit margins, leading all other resources on that measure. Minolta proved the top resource on two other key measures, turnover rate and sell-through.

With Maxxum, a relatively expensive mass market camera, leading the way, Minolta got the nod from 51% of department store buyers as a top resource. That was more than twice the number of votes department stores gave Canon.

By contrast, 48% of discounters voted Canon their best resource, compared to just 23.1% of discounters who chose Minolta. Third-place finisher Vivitar got the top nod from 17% of discount buyers but no department store merchants.

Perhaps the most "efficient" performer in the SLR category, considering its limited distribution, was Vivitar. Although mentioned by just 8.7% of buyers as a resource that comes to mind in SLRs, Vivitar picked up first place votes from 9% of those buyers. What did buyers like best about Vivitar? Its good profit margins and on time delivery.

35mm autofocus: In recent months, Kodak has made as big an impact in 35mm autofocus cameras as Minolta has made in SLRs since introduction of the Maxxum. Although it introduced its VR line of autofocusing cameras only last January, Kodak placed third in overall performance, gaining votes from 15.2% of buyers. Not surprisingly, Kodak scored well on support issues like delivery and sell-through, but only 12.5% of buyers voted the Kodak VR cameras tops in profit margins.

Canon and Minolta run neck and neck in the 35mm SLR race

Brand	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
Disc cameras								
1. Kodak	82.4%	96.6%	67.9%	100.0%	78.6%	86.2%	93.1%	70.4%
2. Keystone	6.7	13.8	14.3	—	7.1	10.3	—	7.4
3. Ansco	6.7	17.2	10.7	—	10.7	6.9	3.4	7.4
35mm SLRs								
1. Canon	36.1	69.6	23.8	47.4	28.6	40.0	47.6	30.0
2. Minolta	36.1	47.8	38.1	36.8	38.1	30.0	38.1	35.0
3. Vivitar	9.8	8.7	9.5	10.5	9.5	10.0	4.8	10.0
35mm autofocus								
1. Canon	29.7	46.2	25.0	35.0	25.0	29.2	34.8	30.4
2. Minolta	26.1	50.0	20.8	35.0	25.0	20.8	30.4	26.1
3. Kodak	15.2	26.9	12.5	10.0	16.7	16.7	17.4	17.4
Binoculars								
1. Bushnell	44.2	50.0	38.9	50.0	44.4	33.3	50.0	50.0
2. Tasco	30.8	38.9	33.3	28.6	33.3	33.3	27.8	27.8
3. Panimex	5.8	5.6	5.6	7.1	5.6	5.6	5.6	5.6

Source: *Chain Store Age*/Leo J. Shapiro & Associates

What was probably most surprising about Kodak's finish in autofocus cameras is that nearly all of the brand's support came from department store buyers. Nearly 23% of department store merchants voted Kodak tops, while just 7.4% of discounters chose the VR cameras.

Canon easily outpaced the field when it came to support from discount store buyers, garnering 42.6% of their votes as top resource. Minolta continued to do well with department store buyers, getting twice as many votes from them as Canon did. But the biggest surprise may be that Nikon finished second in the discount store arena, getting top performer votes from 14.7% of discount buyers.

Within the past two years, as the autofocus camera boom has expanded, profits have gotten harder to come by, especially for the most recognized, heavily advertised brands. That was illustrated in the study by the way brands like Keystone, Vivitar, Ricoh and Pentax scored. Those four brands and Nikon together accounted for 38% of the first place votes in the good profit margin category.

***Kodak's VR35 earned its No. 3** rank with good grades in vendor support.*

Disc cameras: Nearly every buyer mentioned Kodak when asked about disc cameras. Not surprisingly, Kodak achieved one of the highest overall scores in the *CSA* survey because of its domination of the disc camera market. Big Yellow did particularly well on issues like on-time support and consumer ad support.

But Kodak scored lowest on good profit margins among the characteristics studied, while profit margins proved the best category for two secondary brands, Keystone and Ansco.

Kodak could only have powered to that expected victory in disc cameras with support from both department store and discount store buyers, who voted in equal numbers for Kodak. Keystone got most of its support from discount store buyers, while Ansco won most of its votes from department store buyers.

Binoculars, like many other categories tracked by *CSA* in the top resource study, was dominated by brands that did especially well in one of two retail trade classes.

First place finisher Bushnell copped first place ballots from 63% of discounters, while Tasco got the nod from 47% of department store buyers.

What helped concentrate so much of the voting on these two top brands is that the binocular category remains relatively profitable, so there was no great need for buyers to abandon the top brands when asked which produced the best profit margins.

In fact, the top two so dominated the voting in this category that in only two instances did another brand score higher than 6%—Minolta (14.3%) and Panimax (7.1%) on co-op advertising.

The strength of the two top brands on turnover showed how far this category has come in the past two years. Once considered a slow-selling, high-ticket category, binoculars have benefited from a general increase in outdoor activities and the arrival of Halley's comet. As a result, both top brands did better on turnover than on most other measures tracked by *CSA*. □

Clear winners in stationery

Small vendors scored their best success in stationery, but the Big 3 ran away in greeting cards.

Perhaps the most telling fact about the way top resources performed in stationery was that in only one of four products studied did any vendor receive more than 40% brand awareness mentions. This, despite the fact that in the "companies mentioned" category buyers were encouraged to list several companies.

With no vendor dominating three of the four categories, it should not be surprising that buyers named 31 resources in stationery with any degree of statistical significance. Despite those numerous mentions, buyers still went on to mention so many smaller brands that in three of four products studied the "other" designation scored well enough to finish among the top three.

In the date book category, for instance, the study lists 11 brands and "other." In that category 54% of buyers mentioned an "other" brand as one that comes to mind, and 22.1% of buyers voted for one of those smaller brands as best performer. If "other" had been a brand it would have finished second in the date book category.

In desk accessories, the product category that claimed the greatest number of stationery vendors named, "other" resources still got mentioned by 28% of buyers and received 14.5% of votes for best performance. In partyware 24.1% of buyers mentioned smaller resources, and 17.6% voted for those "other" resources as best performer in the category.

Although in many of the product categories studied by *Chain Store Age*, department stores led the way in preferring smaller brands, there was no clear pattern in stationery.

In one category, date books, discount buyers actually accounted for the overwhelming number of votes given smaller resources. More than 41% of discount buyers voted for a resource in this category grouped in the "other" designation.

In desk accessories and partyware there proved more of a balance, with department store buyers generally favoring smaller resources just slightly more than discounters.

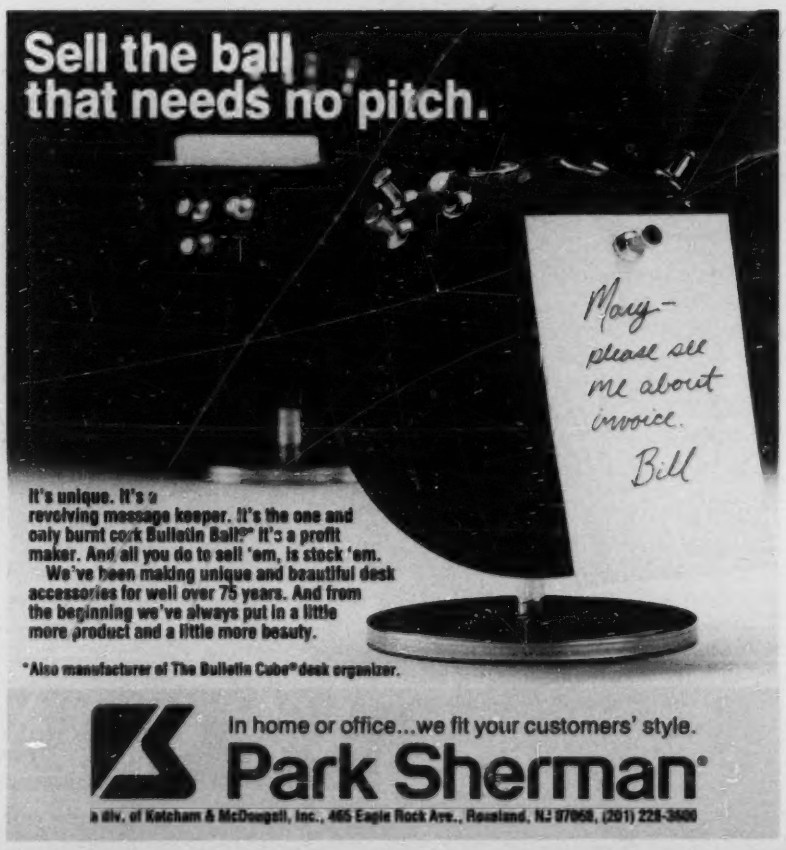
Greeting cards: The one product in which smaller resources did not play much of a role was greeting cards, where the strength of American Greetings, Gibson and Hallmark was apparent.

Notable about the way the three top brands performed in greeting cards, relative to one another, is that no brand dominated all of the measures studied.

For instance, the No. 2 overall finisher, Gibson, had its best showing in the area of profit margins, getting more than 40% of votes. But Gibson did, capturing only about half as many votes for sell-through. Not surprisingly, when it came to be judged on turnover rate, Gibson pretty much split the difference between its profit margin and sell-through scores.

***The Big 3 dominated** greeting cards, smaller resources were barely felt.*

American Greetings came closest to dominating the voting in any one measure in this category with a 47.8% score in co-op advertising.


Sell the ball that needs no pitch.
Mary- please see me about invoice. Bill
It's unique. It's a revolving message keeper. It's the one and only burnt cork Bulletin Ball.* It's a profit maker. And all you do to sell 'em, is stock 'em.
We've been making unique and beautiful desk accessories for well over 75 years. And from the beginning we've always put in a little more product and a little more beauty.
*Also manufacturer of The Bulletin Cube® desk organizer.
In home or office...we fit your customers' style.
Park Sherman®
a div. of Ketcham & McDougall, Inc., 465 Eagle Rock Ave., Roseland, NJ 07068, (201) 228-3600

Stationery dominated by Big 3; Gibson, Mead second in two categories each

Brand	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
Greeting cards								
1. American Greetings	33.7%	52.6%	32.4%	47.8%	32.4%	27.8%	35.5%	31.3%
2. Gibson	28.5	55.3	40.5	21.7	29.4	30.6	22.6	21.9
3. Hallmark	21.8	57.9	18.9	13.0	20.6	22.2	32.3	21.9
Date books								
1. Shaeffer Eaton	27.1	28.6	24.0	29.4	26.9	25.0	36.4	28.0
2. Mead	17.1	14.3	16.0	23.5	15.4	16.7	17.4	16.0
3. Hallmark	5.4	14.3	4.0	5.9	3.8	8.3	13.0	4.0
Desk accessories								
1. Sterling Plastics	33.6	40.0	33.3	37.5	36.0	40.9	25.0	29.2
2. Mead	13.0	12.0	12.5	12.5	12.0	13.6	35.0	12.5
3. Blue Star	8.4	16.0	12.5	6.3	4.0	9.1	10.0	8.3
Partyware								
1. Hallmark	23.5	34.5	21.4	28.6	19.2	25.9	26.9	20.0
2. Gibson	18.3	34.5	21.4	19.0	15.4	22.2	15.4	16.0
3. American Greetings	15.7	20.7	14.3	19.0	15.4	14.8	15.4	16.0

Source: *Chain Store Age*/Leo J. Shapiro & Associates

Perhaps not coincidentally, that proved the one category that hurt Hallmark the most. Only 13% of buyers named it for co-op ads. By contrast, Hallmark received about two and one-half the number of votes from buyers for its consumer ad support.

The key to Gibson's second place finish over Hallmark in greeting cards was Gibson's strength with both discount and department store buyers. The brand achieved about as well a balance as one could expect, getting a 28.1% score for best performance in the department store category and 28.9% among discounters. In both trade classes the brand finished second—to Hallmark among department store buyers and to American Greetings with discounters.

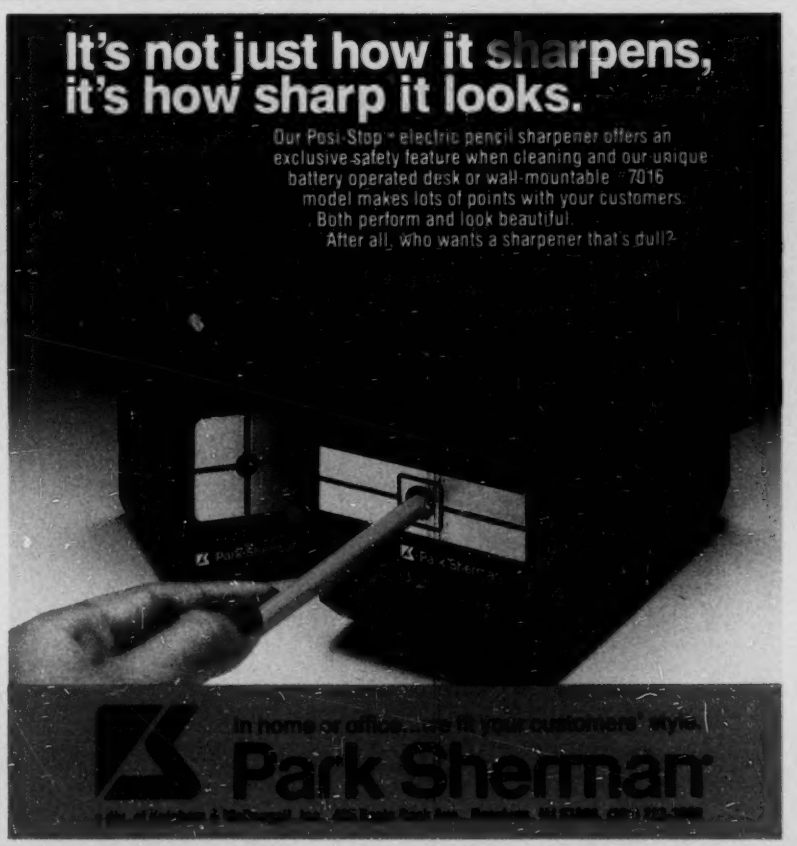
American Greetings dominated the discount segment, getting more than 60% of the vote, while Hallmark won votes from 37.5% of department stores as best performer. Ambassador ranked No. 3 for discounters. Recycled Paper Products came in third for department stores.

Date books: The shadow of small brands hung over date books, where only one resource got more than 20% of mentions as the best brand. The third finisher, Hallmark, had among the lowest scores of any No. 3 resource in any of the 40 products studied by *CSA*. Just 6.4% picked Hallmark.

What clearly proved a problem for most major brands in the date book category was turnover. "Other" brands there did as well as Shaeffer Eaton, the No. 1 finisher. Considering that kind of voting, it is not surprising that sell-through also proved a problem for most resources mentioned in the category.

No brand had a balanced rating among discounters and department store buyers. Shaeffer dominated the department store segment with 39% of those buyers voting for it, while Mead got the top nod for its date books from 31% of discounters.

Desk accessories: Sterling Plastics dominated the voting, getting more than twice as many votes for best performer as the No. 2 brand, Mead.


It's not just how it sharpens, it's how sharp it looks.
Our Posi-Stop™ electric pencil sharpener offers an exclusive safety feature when cleaning and our unique battery operated desk or wall-mountable 7016 model makes lots of points with your customers. Both perform and look beautiful. After all, who wants a sharpener that's dull?
In home or office...it's your customers' style.
Park Sherman

***The Big 3 ran a close race,** with American Greetings emerging the victor.*

Sterling proved exclusively a discount brand; 55% of discount buyers voted for it. Mead also turned out to be exclusively a discount brand, getting 21.2% of discount buyers to name it top resource.

Blue Star was tops in the department store segment, getting 21.6% of buyers' votes. But the voting was spread out among department store buyers. Gibson, A&M and Shaeffer Eaton all got more than 15% of votes from department store buyers, while "other" brands received 19.6%.

Hallmark's strength in partyware was solely a function of its success among department store buyers, 46.2% of whom voted it their top resource. Only Gibson, with 19.2% of the votes, had any kind of presence beside Hallmark with department store buyers.

By contrast the No. 4 finisher, C. A. Reed, had the best overall score with discounters, capturing 25.3% of the vote. American Greetings was second with 24% of the vote, followed by Gibson, which once again showed the best balance between department store and discount store segments. Gibson received top votes from 17.3% of the discount buyers to go along with its 19.2% score with department stores.

Sell-through and turnover rate, two closely allied areas, proved most difficult for the top resources. In both measures the first two finishers achieved scores that fell well below their scores for overall performance in the partyware category. By contrast, sell-through and turnover rate proved two strong categories for smaller brands grouped in the "other" classification. That classification also scored extremely well on profit margins, equaling the scores achieved by Hallmark and Gibson. □

D. P. and Wilson big winners

Winning by huge margins, both resources earned top mentions by discount and dept. store buyers.

In category after category in the *Chain Store Age* Top Resources Study, the most dominant vendors proved to be those able to appeal to both discounters and department store buyers.

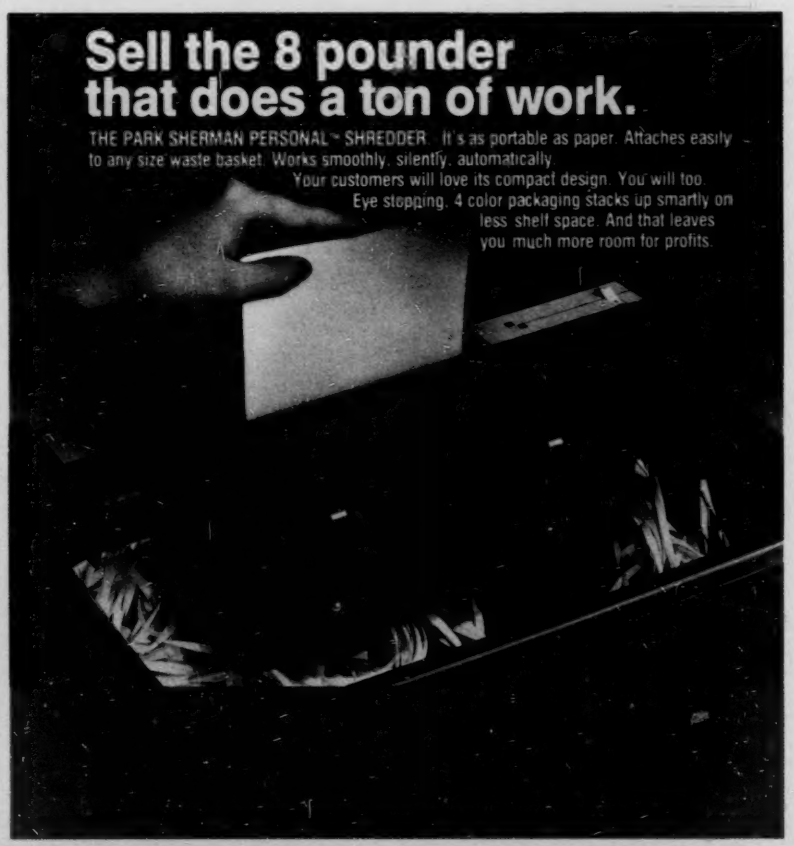
That proved true in sporting goods, where Wilson drove to a convincing victory in three categories by garnering support from both discounters and department stores. And, not surprisingly, in the one category, exercise equipment, where Wilson did not do well, it could get no support from discount buyers.

Consider the tennis racquet business. Wilson has long covered both ends of the market, going back to the days of its regular-sized Wood Advantage racquet, often priced as little as $50, to the Pro Staff line of graphite racquets today, which can retail for well over $200.

That kind of coverage of the market was clear from the fact that 75% of discount store buyers voted Wilson their top tennis racquet resource, while more than 48% of department store buyers selected it best performer.

By contrast Prince, which is recognized almost exclusively as a higher-priced line even though it has some basic racquets that can retail for about $60, got best performer votes from 24.1% of department store buyers but only 1.6% of discounters. Spalding also could get little support from discounters but got top votes from 27.8% of department store merchants.

Tennis balls: Wilson was almost


Sell the 8 pounder
that does a ton of work.
THE PARK SHERMAN PERSONAL™ SHREDDER. It's as portable as paper. Attaches easily to any size waste basket. Works smoothly, silently, automatically.
Your customers will love its compact design. You will too.
Eye stopping, 4 color packaging stacks up smartly on less shelf space. And that leaves you much more room for profits.

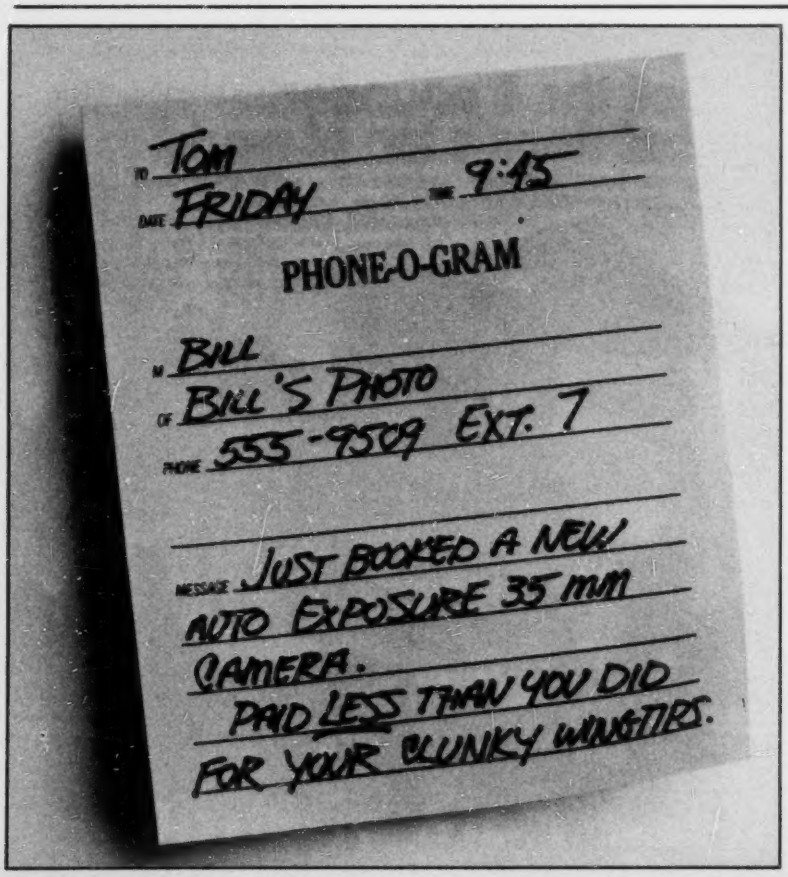
Wilson wins top honors for tennis balls, racquets and baseball gloves

Brand	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
Tennis racquets								
1. Wilson	62.7%	79.2%	60.0%	60.0%	61.9%	70.0%	61.9%	61.9%
2. Spalding	16.9	37.5	15.0	20.0	19.0	10.0	19.0	19.0
3. Prince	11.9	29.2	10.0	6.7	9.6	10.0	23.8	9.6
Tennis balls								
1. Wilson	56.3	73.5	50.0	54.2	54.8	58.1	62.5	56.3
2. Penn	26.4	52.9	23.1	25.0	35.5	35.5	18.8	31.3
3. Spalding	10.8	20.6	11.5	12.5	9.7	9.7	12.5	9.4
Baseball gloves								
1. Wilson	44.8	67.7	36.7	41.7	40.0	55.2	55.2	40.0
2. Regent	23.3	29.0	23.3	25.0	20.0	24.1	20.7	26.7
3. Spalding	18.8	38.7	16.7	16.7	20.0	17.2	20.7	16.7
Excercise equipment								
1. D.P.	44.5	59.1	45.0	50.0	30.0	36.9	57.1	36.9
2. Vitamaster	13.3	18.2	15.0	7.1	15.0	15.8	9.5	15.8
3. Ajay	8.0	31.8	5.0	14.3	5.0	15.8	14.3	5.3

Source: *Chain Store Age*/Leo J. Shapiro & Associates

as strong with buyers in the tennis ball market. Here again there wasn't much of a difference between what discount buyers felt and the way department store buyers voted. But then again that's not surprising because there really is no such thing as a "high-end" tennis ball. Wilson was voted top performer by 52% of discount buyers and 63% of department store buyers.

Penn got considerably more of its support from discount store buyers, 34% of whom voted its tennis balls the best performers. If there was one category that hurt Penn it was consumer ad support. Despite its 28.4% overall rating as best performer, only 18.8% of buyers chose the company as tops in consumer ads.


TO TOM
DATE FRIDAY TIME 9:45
PHONE-O-GRAM
M BILL
OF BILL'S PHOTO
PHONE 555-9509 EXT. 7
MESSAGE JUST BOOKED A NEW AUTO EXPOSURE 35 MM CAMERA. PAID LESS THAN YOU DID FOR YOUR CLUNKY WINDTIERS.

Baseball gloves: Wilson was also easily the top performer among both discounters and department stores in the baseball glove category. Wilson had more than twice the share of anyone else among department store buyers, with 55.4% of them voting for Wilson. The difference was much smaller in the discount store segment, where Wilson edged out Regent 38.3% of 31.8%.

Regent received the highest rating as best performer considering its limited distribution. Primarily a discount store line, Regent managed to get 23.3% of buyers to name it top performer despite the fact that only 29% mentioned it as a brand that comes to mind when they think of baseball gloves. That means that 7 of every 9 buyers that mentioned Regent went on to vote for it as their top performer.

By contrast, Rawlings was voted top performer by 15.1% of buyers even though 38.7% of buyers surveyed mentioned the brand when first quizzed about the category.

Exercise equipment represented the only category studied by *CSA* in which Wilson did not dominate. D.P., whose line of home gyms have become nearly omnipresent, was mentioned by nearly 70% of buyers and got first place votes from 42.5%. Once again it was a case of a strong crossover performance. D.P. got 40.4% of top performer votes from department stores and 44.0% from discounters.

The only serious challenger to D.P. was Vitamaster, with first place votes from nearly 20% of department store buyers. But no discount store resource aside from D.P. captured more than 16% of buyers' votes.

Exercise equipment was one of those categories in which market share was so diffuse, after one gets past the No. 1 brand, that "other" became a major designation. The "other" category accounted for 18.6% of votes for best performer. The "other" category proved especially strong in on-time delivery, where those brands captured 26.3% of first place votes. □

"Other"-wise ignored[1]

Category	Total performance	Brand mentions	Good profit margins	Co-op ads	Turnover rate	On-time delivery	Consumer ad support	Sell-through
VCR tape	27.7%	35.5%	28.9%	30.6%	25.0%	28.6%	28.6%	27.6%
Televisions	15.3	35.5	29.6	8.7	20.7	17.2	7.1	7.4
Date books	22.1	53.6	20.0	17.6	26.9	20.8	21.7	24.0
Desk accessories	14.5	28.0	12.5	18.8	16.0	13.6	15.0	12.5
Partyware	17.6	24.1	21.4	14.3	19.2	14.8	15.4	20.0
Microwave ovens	20.0	25.0	19.0	21.1	19.0	18.2	23.8	19.0
Metal cookware	26.3	47.2	31.4	18.5	25.7	35.5	15.6	29.4
Cutlery	27.4	54.8	36.7	25.9	33.3	20.0	17.9	30.0
Clocks	41.0	47.6	42.9	43.8	33.3	45.0	36.8	45.0
Exercise equipment	18.6	31.8	15.0	21.4	15.0	26.3	14.3	21.1
Towels	12.9	18.9	11.1	11.1	17.1	15.8	10.3	11.4
Mini-blinds	34.5	41.2	40.0	28.6	40.0	28.6	28.6	40.0
Dolls	17.1	23.1	13.3	23.1	9.7	28.6	16.7	13.3
Plush toys	14.4	29.6	23.1	5.3	15.4	20.0	4.2	15.4

[1]Chart lists % buyers voting for "other" brands in listed categories.
Source: *Chain Store Age*/Leo J. Shapiro & Associates

An "other" story

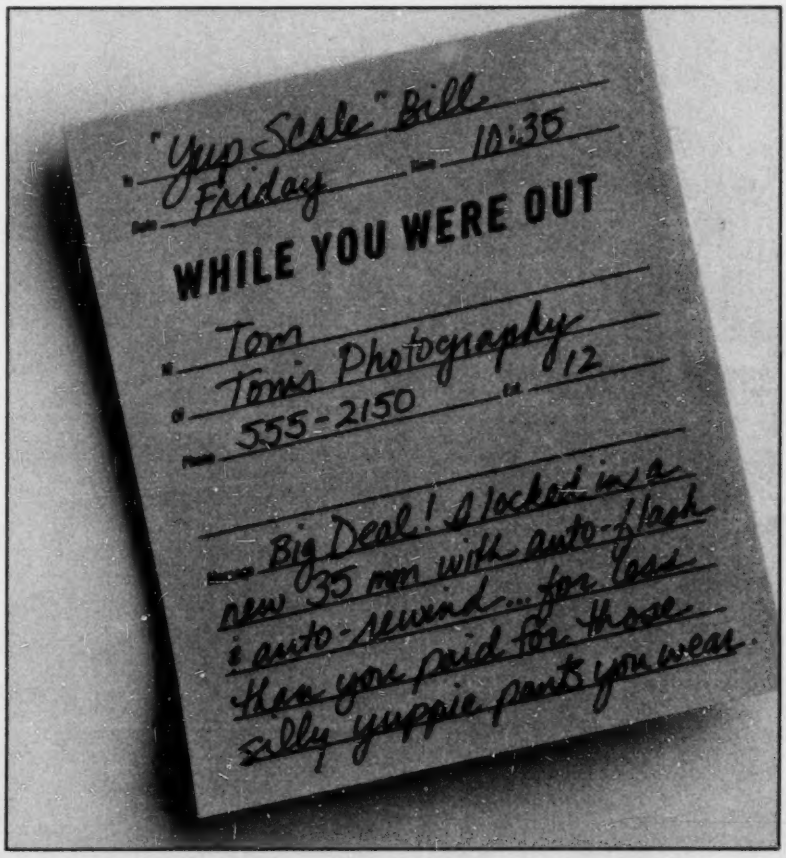
In some cases "other" brands outscored major vendors.

For most manufacturers, there is probably nothing quite so embarrassing as being grouped in the "other" category in market studies.

After all, to be one of the "other" means to be left out, or at least not sufficiently mentioned, because you are simply not big enough, or enough of a factor in that particular business. Put another way it means that you are not statistically significant.

Every once in a while, however, it seems safer, more comfortable, to wind up "other"-wise ignored, particularly in instances when retailers choose to vent their anger against national brands. In such cases, as when buyers rebel against the lack of profitability in video cassette tapes, the "other" brands as a group often wind up scoring better in key measures than well-known brands.

In the *Chain Store Age* Top Re-


"Yup Scale" Bill
Friday
10:35
WHILE YOU WERE OUT
Tom
Tom's Photography
555-2150
12
Big Deal! I locked in a new 35 mm with auto-flash & auto-rewind... for less than you paid for those silly yuppie pants you wear.

"Other" towels received 12.9% of the votes for total performance.

sources Study, "other" brands as a group scored high enough in 14 of 40 categories to rank in the top three in those categories. In VCR tapes, for instance, 27.7% of the retailers picked a smaller resource as best performer. The combined "other" score actually came in ahead of 15 brands that received individual scores.

There are several reasons why "other" can prove so important a factor in some categories. In clocks, the category in which "other" scored the highest in the *CSA* study, receiving 41% of first place votes for overall performance, department store buyers led the way. Obviously unwilling to compete with discounters, drug stores and supermarkets on the most familiar names, department store buyers eschewed brand names like G.E. and Spartus in favor of a group of less well known, and hence less price sensitive, clocks.

Profitability, or a lack of it, is really the issue that runs throughout most categories in which "other" does so well. Looking at the good profit margins category on the accompanying "other" chart, it becomes obvious that "other" brands scored as well on that measure as on any other measure of performance tracked by the study. □

Kodak's dubious honor

Surprisingly, some buyers named the nonexistent Kodak 35mm SLR as best overall performer.

Imagine that one year at the Academy Award ceremonies the presenter of the best actor Oscar opened the envelope from Price Waterhouse and found it contained the name of someone who hadn't even been nominated.

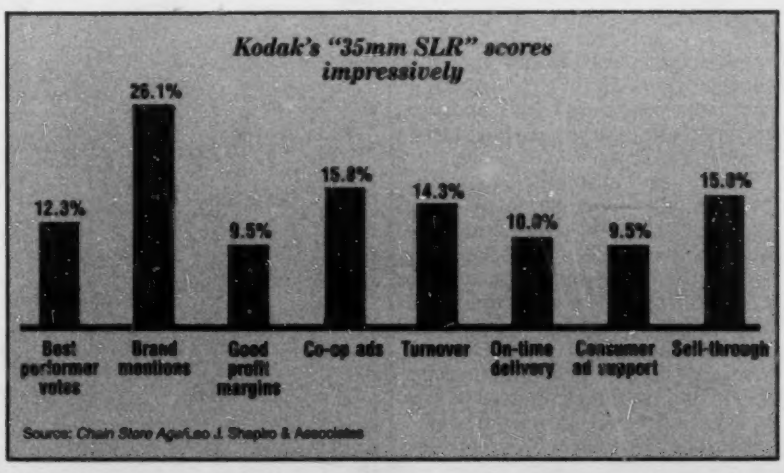
What if the members of the Academy, in their confusion, ignorance, or just out of a sense of nostalgia, had voted for an actor who might have done some wonderful work once but hadn't even made a picture that year? The Academy might have to create a new award, "best performance by someone not even participating in the category."

As absurd as this scenario seems, it is somewhat analagous to what happened when buyers in the *Chain Store Age* Top Resources Study were asked about the 35mm single lens-reflex business. More than 26% of the buyers surveyed said that Kodak was a brand that came to mind when they thought of 35mm SLRs. And 12.3% rated the Kodak SLR the best overall performer in the category.

The problem, of course, is that Kodak does not make a 35mm SLR and has not for years.

Of course, Big Yellow so thoroughly dominates some segments of the photo business that it is not unusual for people to get confused about just exactly where the company shines and where it doesn't even bother to compete. In *CSA* MarkeTrends studies, about 6% of consumers consistently say they recently bought a Kodak 35mm SLR.

But that is confusion among *consumers*. Buyers should presumably know better, especially in a poll that goes beyond simple brand recall and asks specific questions about product performance. For instance, what were 10% of the buyers thinking when they rated the Kodak 35mm SLR their best gross margin item in the category? Did they confuse SLR cameras with autofocus cameras? If they did, it is understandable but hardly excusable. □



An instant replay in the works?

When Polaroid introduced its new Spectra line of instant cameras, industry pundits greeted the debut with a collective yawn. Everyone knew that the market for instants was shrinking. But Polaroid may yet have the last laugh, as the latest *Chain Store Age* MarkeTrends poll is showing the highest consumer interest in instant cameras recorded over the last five years.

Asked what type of film their next camera would use if they were to buy one, 19.1% in the survey report that it would use instant film. This represents a doubling of the number recorded only a year ago and is about equal to levels of five years ago.

The big losers according to the latest study, are disc cameras, the choice of only 9% of households. Over the last three years, the number of households reporting that they will buy a disc camera has fallen by about one-half. Readings for cartridge film cameras are equal to last year's readings.

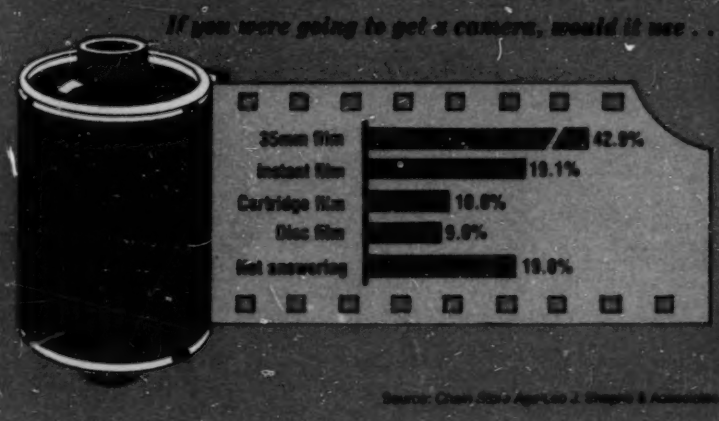
For 35mm cameras, the *CSA* MarkeTrends poll shows a slight uptick in customer interest, with 42.9% saying their next camera would use 35mm film. Of those who choose the 35mm format, 52% report that they will buy a single lens reflex camera.

Though SLR sales have lagged behind lens shutter unit volume for the last two years, the survey suggests that the long awaited step up process may finally be ready to appear.

Of those interested in a 35mm camera, 58% are not current 35mm users. And of those who currently own a 35mm camera, 2 out of 3 report that their next camera will be an SLR.

This suggests a solution to a problem which has plagued the industry for several years. While customers have responded favorably to the introduction of automated features in single lens reflex cameras, such as Minolta's Maxxum and Nikon's 2020, the increased customer interest has not grown the market for SLRs themselves.

However, customers in the most recent survey give every indication of first moving up to 35mm lens shutter cameras and then SLRs.



than say nonowners who do expect to buy.

Presumably, the industry's strong price competition—sometimes to the point of downright unprofitability—has passed the attention of this group. For once, there actually may be some justification for low price oriented advertising to bring more 35mm nonowners into the fold.

The study further implies that advertising geared to promoting camera features—rather than photographs themselves—has finally come of age.

Camera stores, according to the survey, are still the place where the greatest number of consumers expect to buy their next 35mm camera. In the poll, 41.3% report that camera stores are the outlet of choice.

Discount stores, however, are carving out a significant piece of the 35mm market, as are catalog showrooms and department stores. Of those who think they will buy a 35mm camera within the next year, 17.8% report they will buy at a discount store (9.3% say they will make their purchase at K mart). According to the survey, 11.3% say they will buy at catalog showrooms, and 9.6% choose department stores.

Among respondents who say there is some chance that they will buy a camera in the next year, Canon, named by 27.9% in the poll, is the brand most frequently mentioned as the maker of the camera they might purchase. Following are Minolta (20.9%), Nikon (13.2%), Kodak (10.4%) and Pentax (6.4%).

The potential customer's choice of a camera brand, however, changes when the survey's respondents are divided into current 35mm owners and those who are buying a 35mm camera for the first time. Among nonowners, Canon and Minolta run a dead heat, but current 35mm camera users choose Canon by a 3 to 2 margin. Kodak's votes, meanwhile, come almost exclusively from those who do not yet own a 35mm camera. □

35mm customers rank the top features . . .*
Auto loading
49.0%
Automatic focus
60.8%
Auto film advance
54.9%
DX film speed setting
54.2%
*Ranking each feature essential in their next camera. Base: All who might buy a 35mm camera in the next year.
Source: Chain Store Age Leo J. Shapiro & Associates

A Colorcraft consumer survey suggests that traditional turnaround times may actually produce greater contributions to overall store sales.

Discounters explore one-hour labs

***Mass merchants are** cautiously exploring one-hour photofinishing.*

Manufacturers of photo processing minilab systems are quick to cite one of retailing's oldest axioms: the longer the customer is in the store, the more the customer spends.

One-hour, in-store photo finishing gives the customer a reason to shop the store for an additional hour, say minilab manufacturers. In addition to increased margins retailers can gain from offering a premium service, there are further opportunities for sales in other parts of the store. For now, mass merchants are cautiously exploring the concept.

Though K mart operates minilabs in some 60 areas around the country, the discounter does not offer one-hour, or even same-day, service. Rather, K mart uses its minilabs as smaller in-house labs and provides its usual turnaround time.

Sears does operate three minilabs with true one-hour service in Hawaii, but considers its operation there geared entirely to the tourist trade.

For the most part, chain retailers seem content either to outlab photo finishing or to maintain their own centralized processing labs. Wal-Mart, Gemco and Fedco all still operate their own finishing facilities.

"Food retailers have been more visionary in their willingness to do these things," says Fuji consumer products vp Carl Chapman.

What about those add-on sales while the customer shops the store while waiting for her prints? They just may not be there. Though there is no conclusive evidence, a consumer study conducted by Colorcraft last year casts doubt on the accepted wisdom.

The Colorcraft survey, conducted at the request of an unidentified East Coast drug chain, turned up at least one startling result. The study revealed that when the photo customer picked up her prints in the same day, she spent an additional $10.82 in the drug store.

However, when the customer waited two days or longer before picking up finished prints, the additional sales generated from the processing service increased to $28.24. Faster processing service, the study suggests, actually reduces photo processing's contribution to overall store sales.

And while it is undeniable that consumers expect faster processing turnaround than they did even five years ago, the majority of customers (72.6%, according to the 1985 Photo Marketing Association's consumer survey), still find two days or more reasonable and acceptable.

According to the same study, discount store customers rank price as more important in choosing an outlet for film processing. The discount store processing customer may not be willing to pay a premium price for faster service.

But the minilab manufacturers knew all along that the mass market retailers would be a tough sell. KIS is targeting camera stores, photo studios and nonchain food retailers as its prime sales prospects this year. Recently, however, it has added a national account sales staff to go after the largest chains.

Eastman Kodak, which began shipping its two minilab systems over the summer, has also had its troubles cracking the mass merchant market. Big Yellow has targeted camera stores, chain drug stores and the mass merchant as its best prospects, but so far reports its highest success has come from camera stores.

The objection most frequently cited by mass merchant buyers, says Kodak director of retail photo finishing John Shimshack, is the rapid turnover of discount store personnel.

Even the most automated of minilabs requires experienced operators to judge density correction and color classification. Shimshack says that mass merchants fear their rapid labor turnover would leave them without experienced minilab operators. Kodak and Copal, among others, are addressing this problem through extensive ongoing training programs. □

Little demand for 1-hour processing?

What time span do you consider most reasonable and acceptable to have your film processed?

	% of households		
Time	1985	1983	1981
1-hour	1.4	NA	NA
1-3 hours	2.9	9.9	NA
Same day/3+ hours	3.0	1.3	0.5
Next day	18.3	9.9	5.0
2 days	22.0	18.8	11.6
3-6 days	40.9	29.8	30.1
One week or more	9.7	37.7	49.8
No answer	1.8	1.6	3.1

Source: Photo Marketing Association

No discounts, no selling on ad, no markdowns and good return policies have provided drug stores, discounters and supermarkets the means to expand market share.

Greeting cards go mass merchant

***Discounters, drug stores and** supermarkets total 54.5% of 1985 card sales.*

High gross margins (approximately 50%), fast turns (five to six times annually), and no warehousing of stock are just a few factors that help make greeting cards an attractive category for retailers. It is no small wonder discounters and variety stores have been beefing up their greeting card departments over the past five years.

"You don't have to discount them," says Kent Schreake, greeting cards buyer for Jack's Discount Stores. Mars greeting cards buyer Dick Padelford adds, "It's the kind of program where things don't go out of style . . . no markdowns and the companies take back damaged and unsold goods. . . . You also don't have to sell on ad."

But discounters and variety stores aren't the only mass merchants discovering the easy money in cards. Drug stores and supermarkets have been vying for the business also, leaving industry sources speculating as to future profitability of the category. Some predict widespread price-cutting though the majority anticipate retailers will compete by negotiating better deals with suppliers, adding alternative card lines and strengthening other product classifications such as stationery, wrapping paper and party goods.

Currently, the Big 3 greeting card suppliers (Hallmark, American Greetings and Gibson) plan assortments with store buyers, maintain stocks and provide store fixtures. All these services help lower the overhead of the department for the retailer, increasing profit.

As much as 85% of greeting cards $3.4 billion sales come from the Big 3 vendors. Hallmark accounts for approximately 45% to 50% of the business, American Greetings for about 25% to 30% and Gibson for 5% to 10%.

The remaining portion of the sales is divided among hundreds of small companies that provide specialized lines aimed at market niches such as divorcees, single parents and ethnic and religious groups. Retailers say these lines must be very creative and unique in order for them to gain space in the stores since these smaller companies cannot offer the services the Big 3 provide.

Alternative cards are becoming more popular as demographics change, note industry experts. Greeting Cards Association exec. vp Marianne McDermott says that today's card buyer is better educated, more sophisticated and demands a wider variety of cards to reflect new lifestyles. People are moving more (leaving old friends behind) and there is an increase in two-income families and working women, providing new opportunities for the card manufacturers. Additionally, the creation of nonoccasion cards have opened up another new market.

Not wanting to miss the boat, American Greetings and Hallmark have introduced new programs. American Greetings' In Touch and Hallmark's Shoebox Greetings lines both feature nonoccasion cards that express such sentiments as appreciation, support and celebration.

Jeff Jones, exec. director of national markets for American Greetings, says, the In Touch line has been very successful. He notes that although 90% of all cards are bought by women, this line has strong appeal with men.

But despite American Greetings' and Hallmark's entries into this market, the Big 3 card companies

are feeling pressure indirectly from the alternatives. Retailers are cutting better deals with the card kings by playing one company off of another.

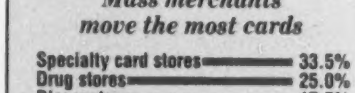
For example, one source says that several retailers negotiated new fixtures in all of their stores at once, rather than the traditional updating of a few different stores every few years. Additionally, some merchants are asking for better dating and return policies.

Even so, the discounters and variety stores face stiff competition. As more and more retailers aggressively go after the business, the mature industry (which has held unit sales rather steady at the seven billion mark for the past few years) gets divided into smaller and smaller pieces.

Although discounters have rapidly increased market share over the past five years, drug stores and supermarkets have also kept pace with them. *Chain Store Age* estimates that more than half of all cards sold in 1985 were bought at a mass merchant (discounter, drug store and supermarket) while only one-third was bought at a specialty store. (See chart.) This compares to nearly two-thirds of all cards sold through specialty stores in 1978.

The reason for the mass merchant spurt is that their customer profile fits in nicely with the card shoppers'. According to the Greeting Card Association, the majority of card shoppers are women between 35 and 54 years old. These retail outlets—mass merchants—attract this customer for other items and then capture her card purchases as add-on sales.

Mass merchants move the most cards



Source: *Chain Store Age* research

Mars buyer Dick Padelford says, "The average customer doesn't say 'I need a card. I've got to go to X store.' It's more of a matter of convenience. We—mass merchants—have terrific traffic."

Location and selection are the keys. Jack's Discount Store buyer Kent Schreake says, "You have got to get them up front where people can see them. They're impulse items."

Ambassador's corporate product director Buddy Jones agrees. He notes, "In mass channels, the challenge is directing traffic to cards. Mass merchant customers are not browsers. They want to get in quickly and get out. Displays have to be laid out."

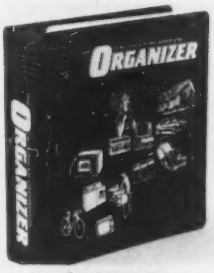
"Signing is extremely important," he continues. "You have got to make it easy for customers to find the right card."

A strong greetings card department could turn cards from impulse sales into planned purchases, concludes Jeff Jones of American Greetings. □

Western Publishing has added two new video categories to its Golden Book Video line: Golden Book Music Video and Golden Book Step Ahead Video. Golden Book Music Videos feature 10 favorite children's songs combined with high quality, full-color illustrations on each 30 minute video cassette. *(Western Publishing Co. Inc., 1220 Mound Ave., Racine, Wis. 53404.)*

New and back-list Read-Alongs, one of the hottest categories in book and audio publishing today, and songs for children from around the world are being introduced this fall by Caedmon. Subjects include: *Sandy's World Sing and Read-Alongs, Funny Bone Poems Read-Alongs, Read-Alongs by Beatrix Potter, Romper Room Sing and Read-Alongs* as well as others. *(Caedmon, 1995 Broadway, New York, N.Y. 10023.)*

The Household Information Organizer is a new bookshelf filing system to protect owner's manuals, warranties, insurance papers and other documents. The Organizer includes six section dividers plus 35 rugged clear-poly filing pockets. It



is designed to hold 70 items up to 8½ in. by 11 in. in size without hole punching. *(Cornwall Products Co., P.O. Box 9283, Dept. 819, Madison, Wis. 53715.)*

ACCO International Inc. has announced the Action Case. Made of virtually indestructible, waterproof ACCOHIDE, the good-looking Action Case won't rip, crack or tear. It is perfect for use as an attache, a storage case for record-keeping or as the ideal project file. *(ACCO Int'l. Inc., 770 S. Acco Plaza, Wheeling, Ill. 60090.)*

An increasing demand for love cards for black consumers prompted Hallmark's "Expression of Love." The 16-card promotion features photos using black models. Eight of the cards, which retail for $1.50 each, feature popular vinyl overlays. *(Hallmark Cards Inc., P.O. Box 419580, Kansas City, Mo. 64141-6580.)*

July sales gain good, possibly deceptive

The 17 companies tracked by *Chain Store Age* recorded a combined 12.6% sales increase in July, the highest year-to-year comparison in the current fiscal year. For the six-month period, combined sales are up 9.6%.

But the sales gains could prove deceptive and provide little indication of the true direction the fall season will take. Seasonal clearances are the norm in July, and sales upticks can easily be read either as warning signs or as signs of clear sailing ahead.

"July can be a deceptive sales month," says Rothschild, Unterberg, Towbin retail analyst Bernard Sosnick, "because big gains can mean heavy promotions and problems, while small gains may point toward business having been done at a steady profit rate."

At J. C. Penney sales in July gained only 3.4%, and are running 6.2% ahead for the first six months. In the most recent quarter, however, Penney has turned its modest sales gains into a 53% profit increase. For the first half, profits are ahead 36%.

Sears, the nation's largest retailer, recorded a 6.1% sales increase for its U.S. Merchandising Group in July, the biggest gain since August 1984. The Chicago-based merchant reported sales strongest in the East and Midwest, with home fashion, appliances and home improvement departments showing the highest increases. Unusually hot weather across the nation spurred sales of air-conditioners and fans to their greatest sales volume in over two years, Sears said.

The country's second largest retailer reported volume was strong across every major department. Comparable-store results were up 14.8% in July at K mart stores, and for the six-month period are running 5.4% ahead of 1985 levels.

"The consumer responded readily to our merchandising and promotional programs during the period, pushing sales above plan," said K mart chairman Bernard Fauber. "As a result, we anticipate second-quarter profits to meet management's expectations," he said.

As a rule, discount stores recorded greater sales gains than did department stores in July. At St. Louis-based May Co., its Venture discount division reported a 9.7% comparable-store gain for the month, compared to a 5.3% store-for-store increase in its department store divisions.

At Dayton Hudson, Target recorded a 9% overall monthly gain, compared to a 4% increase at Dayton Hudson department stores. On a comparable-store basis, however, both turned in equal sales gains of 4%. Mervyn's reported sales for the month up 16% overall and 10% store-for-store.

"We are encouraged by the tone of business in July," said Dayton Hudson chairman/ceo Kenneth Macke, "Our sales increases for the month exceeded our year-to-date pace for the first time this year."

Elsewhere, Carter Hawley Hale department stores picked up at least a little speed in July, with comparable-store results gaining 1.9%. For the year to date, however, comparative stores are running only equal with last year's performance. The company's specialty store divisions, which include Bergdorf's, Neiman Marcus and Contempo Casuals, recorded same store results up 2.7% in July and 6.4% for the six-month period.

Among the electronics specialists, Tandy reported sales increased 7% at U.S. stores in operation for more than one year. Richmond, Va.-based Circuit City Stores recorded a 19% same-store gain.

Markdowns mar July sales

Major chains	% change	July sales* 1986	July sales* 1985	Stores 1986	Stores 1985	6-mo. sales* 1986	6-mo. sales* 1985	% change
Sears[1,2]	+ 6.1	$1,976,636	$1,863,374	800	796	$12,116,032	$11,860,246	+ 2.2
Penney[2]	+ 3.4	830,000	803,000	1,878	1,986	5,685,000	5,352,000	+ 6.2
Ward[1,3]	+ 4.5	306,300	293,200	290	319	1,870,300	1,877,600	− 0.4
Dayton Hudson	+12.0	627,400	561,300	1,216	1,168	4,058,700	3,678,400	+10.0
Federated[4]	+ 4.1	509,000	489,000	486	469	3,667,700	3,521,100	+ 4.2
May Dept. Stores	+13.4	338,900	298,800	2,270	1,967	2,400,800	2,160,000	+11.5
Associated Dry Goods	+ 8.4	270,600	249,600	N/A	N/A	2,007,000	1,883,000	+ 6.6
Allied Stores	+ 6.3	249,200	234,500	673	627	1,900,200	1,772,000	+ 7.2
Carter Hawley Hale	+ 5.0	257,300	245,100	304	283	1,757,600	1,677,400	+ 4.8
Mercantile	+ 4.3	129,467	124,101	80	79	872,434	811,721	+ 7.5
K mart[5]	+16.0	1,694,700	1,458,700	2,183	2,173	10,748,300	10,063,800	+ 6.8
Wal-Mart	+41.0	900,000	640,000	952	804	5,114,000	3,590,000	+42.0
Zayre	+31.0	339,600	259,000	1,026	911	2,285,600	1,727,600	+32.0
Bradlees	+14.0	109,000	96,000	156	150	779,000	622,000	+25.0
Tandy	+20.6	259,996	215,516	N/A	N/A	1,514,449	1,309,701	+15.6
Circuit City	+48.6	74,000	49,800	90	97	357,700	260,200	+37.5
Federated Group	+13.9	27,000	23,700	60	48	184,900	147,600	+25.3
Totals & Averages	+12.6	$8,899,099	$7,904,691	—	—	$57,318,315	$52,314,368	+ 9.6

*000 omitted. N.C. = no change. N/A = not available.
[1]Store number for full-line outlets only. [2]Domestic operations only. [3]Continuing operations only. [4]Excludes supermarket sales. [5]Store number for K mart stores only.

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